

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

AN EXAMINATION BY THE PUBLIC SERVICE	)	
COMMISSION OF THE APPLICATION OF THE	)	
FUEL ADJUSTMENT CLAUSE OF BIG RIVERS	)	CASE NO. 96-521-B
ELECTRIC CORPORATION FROM MAY 1,	)	
1997 TO SEPTEMBER 1, 1997	)	

O R D E R

Pursuant to Commission Regulation 807 KAR 5:056, Section 1(11), IT IS HEREBY ORDERED that:

1. Big Rivers Electric Corporation ("Big Rivers") shall appear at the Commission's offices in Frankfort, Kentucky, on February 19, 1998 at 9:00 a.m., Eastern Standard Time, to submit itself to examination on the application of its fuel adjustment clause ("FAC") from May 1, 1997 to September 1, 1997.

2. Big Rivers shall notify its customers in writing of the date, time, place, and purpose of the hearing or shall publish such notice in accordance with 807 KAR 5:011, Section 8(5).

3. Big Rivers shall, on or before January 9, 1998, file with the Commission an original and 4 copies of the information requested in Appendix A, attached hereto and incorporated herein. Each copy shall be placed in a bound volume with each item tabbed. When a number of sheets are required for an item, each sheet should be appropriately indexed; for example, Item 1(a), Sheet 2 of 6. Big Rivers shall furnish with

each response the name of the witness who will be available at the public hearing to respond to questions concerning each area of information requested. Careful attention shall be given to copied material to ensure its legibility.

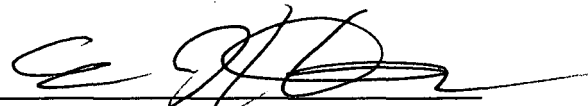
4. Any party who wishes to file testimony in this proceeding or to request information from Big Rivers may petition the Commission for a procedural schedule.

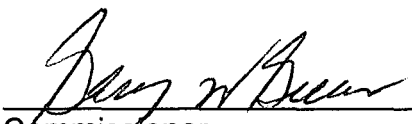
5. All documents which Big Rivers filed with the Commission pursuant to Administrative Regulation 807 KAR 5:056, Section 1(7) and 1(9), during the period under review are incorporated by reference into the record of this proceeding.

Done at Frankfort, Kentucky, this 11th day of December, 1997.

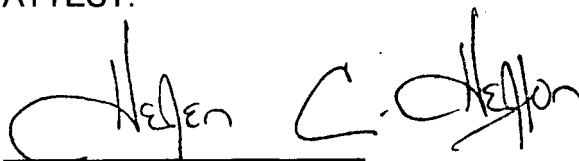
PUBLIC SERVICE COMMISSION

  
Chairman

  
Vice Chairman

  
Commissioner

ATTEST:

  
Executive Director

## APPENDIX A

### APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 96-521-B DATED DECEMBER 11, 1997

1. For the period from May 1, 1997 to September 1, 1997, list each vendor from whom coal was purchased and the quantities and the nature of each purchase (e.g., spot or contract).

2. For each generating station or unit for which a separate coal pile is maintained, state for the period from May 1, 1997 to September 1, 1997 the actual amount of coal burned in tons, actual amount of coal deliveries in tons, total KWH generated, and actual capacity factor at which the plant operated.

3. List all firm power commitments for Big Rivers from May 1, 1997 to September 1, 1997 for (a) purchases and (b) sales. This list shall identify the electric utility, the amount of commitment in MW and the purpose of the commitment (e.g., peaking, emergency).

4. Provide a monthly billing summary for sales to all electric utilities for the period May 1, 1997 to September 1, 1997.

5. List Big Rivers' scheduled, actual, and forced outages between May 1, 1997 and September 1, 1997.

6. List all existing fuel contracts categorized as long-term (i.e., more than 1 year in length). Provide the following information for each contract:

- a. Supplier's name and address;
- b. Name and location of production facility;
- c. Date when contract executed;

- d. Duration of contract;
  - e. Date(s) of each contract revision, modification or amendment;
  - f. Annual tonnage requirements;
  - g. Actual annual tonnage received since the contract's inception;
  - h. Percent of annual requirements received during the contract's term;
  - i. Base price;
  - j. Total amount of price escalations to date;
  - k. Current price paid for coal under the contract ( $i \div j$ ).
7. a. Does Big Rivers regularly compare the price of its coal purchases with those paid by other electric utilities?
- b. If yes, state:
- (1) How Big Rivers' prices compare with those of other utilities for the period under review.
  - (2) The utilities which are included in this comparison and their location.
8. What percentage of Big Rivers' coal, as of the date of this Order, is delivered by:
- a. barge?
  - b. rail?
  - c. truck?
9. a. State Big Rivers' coal inventory level in tons and in number of days' supply as of September 1, 1997.

- b. Describe the criteria used to determine number of days' supply.
- c. Compare Big Rivers' coal inventory as of September 1, 1997 to its inventory target for that date.
- d. If actual coal inventory exceeds inventory target by 10 days' supply, state the reasons for excessive inventory.

10. Has Big Rivers audited any of its coal contracts during the period from May 1, 1997 to September 1, 1997?

- b. If yes, for each audited contract:
  - (1) Identify the contract.
  - (2) Identify the auditor.
  - (3) State the results of the audit.
  - (4) Describe the actions which Big Rivers took as a result of the audit.

11. a. Has Big Rivers received any customer complaints regarding its fuel adjustment clause during the period from May 1, 1997 to September 1, 1997?

- b. If yes, for each complaint, state:
  - (1) The nature of the complaint.
  - (2) Big Rivers' response.

12. a. Is Big Rivers currently involved in any litigation with its current or former coal suppliers?

- b. If yes, for each litigation:
  - (1) Identify the coal supplier.

- (2) Identify the coal contract involved.
- (3) State the potential liability or recovery to Big Rivers.
- (4) List the issues presented.
- (5) Provide a copy of the complaint or other legal pleading which initiated the litigation, if not previously filed with the Commission.

c. State the current status of all litigation with coal suppliers.

13. a. During the period from May 1, 1997 to September 1, 1997, have there been any changes to Big Rivers' written policies and procedures regarding its fuel procurement?

b. If yes,

- (1) What were these changes?
- (2) Provide these written policies and procedures as changed.
- (3) When were these changes made?
- (4) Why were they made?

14. a. Is Big Rivers aware of any violations of its policies and procedures regarding fuel procurement which occurred prior to or during the period from May 1, 1997 to September 1, 1997?

b. If yes, for each violation:

- (1) Describe the violation.
- (2) Describe the action(s) which Big Rivers took upon discovering the violation.
- (3) Identify the person(s) who committed the violation.

15. Identify all changes in the organizational structure and personnel of the departments or divisions which are responsible for Big Rivers' fuel procurement activities which occurred during the period from May 1, 1997 to September 1, 1997.

16. a. Identify all changes which Big Rivers has made during the period under review to its maintenance and operation practices and which affect fuel usage at Big Rivers' generation facilities.

b. Describe the impact of these changes on Big Rivers' fuel usage.